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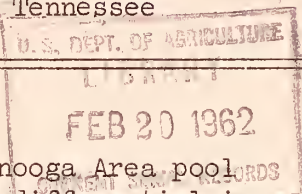
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MILK MARKET INFORMATION
CHATTANOOGA, TENNESSEE, MARKETING AREA
JANUARY 1962

Volume 6

Number 6

Released Pursuant to \$1090.27 (j) and \$1090.85, USDA-ASCS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator



MARKET SUMMARY JANUARY 1962

The MINIMUM uniform producer price is \$4.74 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During January, 76.0% of the total producer milk was priced in Class I at \$5.16 per cwt. with a butterfat differential of 7.9 cents and 24.0% in Class II at \$3.65 per cwt. with a butterfat differential of 7.0 cents. The daily average use of Gross Class I milk increased 3.6% compared with December 1961 and increased 4.6% compared with January 1961.

Daily average delivery of milk from producers was 473,586 pounds in January 1962, a decrease of 3,053 pounds per day compared with December 1961 and an increase of 35,216 pounds compared with January 1961. Percentage-wise, January deliveries decreased 0.6% compared with December 1961 and increased 8.0% compared with Jan. 1961.

MILK SAMPLES TESTED - Producer Fresh Samples 5,870 - Handler Finished Products 250.

MILK BASE -- 1962

New bases will be announced by February 28, 1962. Milk Bases were established during September 1961 thru January 1962. These bases are to be used for calculating payment for milk deliveries during March thru July 1962. If you do not receive your Milk Base Notice soon after March 1, 1962, please notify the Market Administrator.

PLANTS DISTRIBUTING MILK IN THE CHATTANOOGA MARKETING AREA

<u>Pool Plants</u>	<u>County</u>	<u>Address</u>
Associated Dairies, Inc.	Hamilton	Chattanooga, Tennessee
Chattanooga Area Milk Prod. Assn.	Hamilton	Chattanooga, Tennessee
Cunninghams Dairy	Catoosa	Rossville, Georgia
Farm Fields Dairy, Inc.	Hamilton	Chattanooga, Tennessee
Grant-Patten Milk Co., Inc.	Hamilton	Chattanooga, Tennessee
Happy Valley Farms, Inc.	Walker	Rossville, Georgia
C. D. Haslerig & Sons Dairy	Walker	Chickamauga, Georgia
Home Stores, Inc.	Hamilton	Chattanooga, Tennessee
Mayfield Dairy Farms, Inc.	McMinn	Athens, Tennessee
Ray Moss Farms, Inc.	Hamilton	Chattanooga, Tennessee
Sanders Dairy, Inc.	Hamilton	Chattanooga, Tennessee
Sealtest Foods-Southern Division	Hamilton	Chattanooga, Tennessee

<u>Non-Pool Plants</u>		
Nance's Dairy, Inc.	Catoosa	Ringgold, Georgia
French Broad Dairy, Inc.*	Knox	Knoxville, Tennessee
Miss Tennessee Dairies, Inc.*	Knox	Knoxville, Tennessee
Stoffell's Dairy, Inc.*	Knox	Knoxville, Tennessee

* Regulated as pool plants by Federal Order No. 101, Knoxville, Tennessee

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Jan. '62</u>	<u>Dec. '61</u>	<u>Jan. '61</u>
Number of Plants (Pool and Non-Pool)	16	16	19
GROSS RECEIPTS POUNDS (DAILY)			
Producer Milk	473,586	476,639	438,370
% January '62 compared with:	100.0	99.4	108.0
Other Source Milk	6,427	10,359	8,064
Other Order Milk	6,611	7,326	7,027
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>486,624</u>	<u>494,324</u>	<u>453,461</u>
% January '62 compared with:	100.0	98.4	107.3
GROSS UTILIZATION POUNDS (DAILY)			
Class I Milk:			
Fluid Milk	298,899	290,964	289,266
Fluid Skim	15,845	13,627	11,072
Buttermilk	37,435	37,126	37,644
Chocolate Milk	7,160	6,628	7,122
Cream Mixture ($\frac{1}{2}$ & $\frac{1}{2}$)	1,206	1,303	1,020
Light Cream (X)	317	330	500
Heavy Cream (XX)	518	726	553
Sour Cream	331	395	283
Bulk to Non-Handlers	3,268	1,465	308
Class I Shrinkage	1,890	734	1,957
Inventory Reclassification	(2,436)	(1,302)	(1,239)
Overstated Sales	-	(105)	-
<u>Total Class I Milk</u>	<u>364,433</u>	<u>351,891</u>	<u>348,486</u>
% January '62 compared with:	100.0	103.6	104.6
Class II Milk: (Used to Produce)			
Butter	16,973	16,484	7,705
Cottage Cheese	14,425	12,156	14,259
Powdered and Condensed Milk	58,721	83,355	3,595
Ice Cream	15,709	15,038	13,789
Inventory Variation	3,772	(1,658)	10,391
Other	12,591	17,058	55,236
<u>Total Class II Milk</u>	<u>122,191</u>	<u>142,433</u>	<u>104,975</u>
% January '62 compared with:	100.0	85.8	116.4
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>486,624</u>	<u>494,324</u>	<u>453,461</u>
 % Producer Milk of Gross Class I	 130.0	 135.5	 125.8
% Producer Milk Priced in Class I	76.0	73.0	78.2

FEBRUARY 1962 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Feb. '62</u>	<u>Jan. '62</u>	<u>Feb. '61</u>
Basic Formula (See page 4)	\$3.65	\$3.65	\$3.80
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.24)	(0.24)	(0.12)
Class I Price, 4.0% Butterfat	\$5.16	\$5.16	\$5.43
<u>Per \$ 1090.51 (a)</u>			
Supply-Demand Comparison: 1st and 2nd preceding months: December and January			
Supply: Lbs. Producer Milk (Dec. 14,775,792 and Jan. 14,681,175)			29,456,967
Demand: Lbs. Net Class I Milk (Dec. 10,822,520 and Jan. 11,246,057)			22,068,577
Utilization Percentage: Producer milk divided by Class I			133
Standard Utilization Percentage: Range 117-121			121
Net Deviation Percentage: Utilization minus Standard Utilization			plus 12
Supply-Demand Adjustment: 2 cents x 12 percentage points			minus \$0.24

Since the supply in relation to the demand is more than the desired standard, the price is decreased 24 cents per hundredweight (2 cents x 12 percentage points).

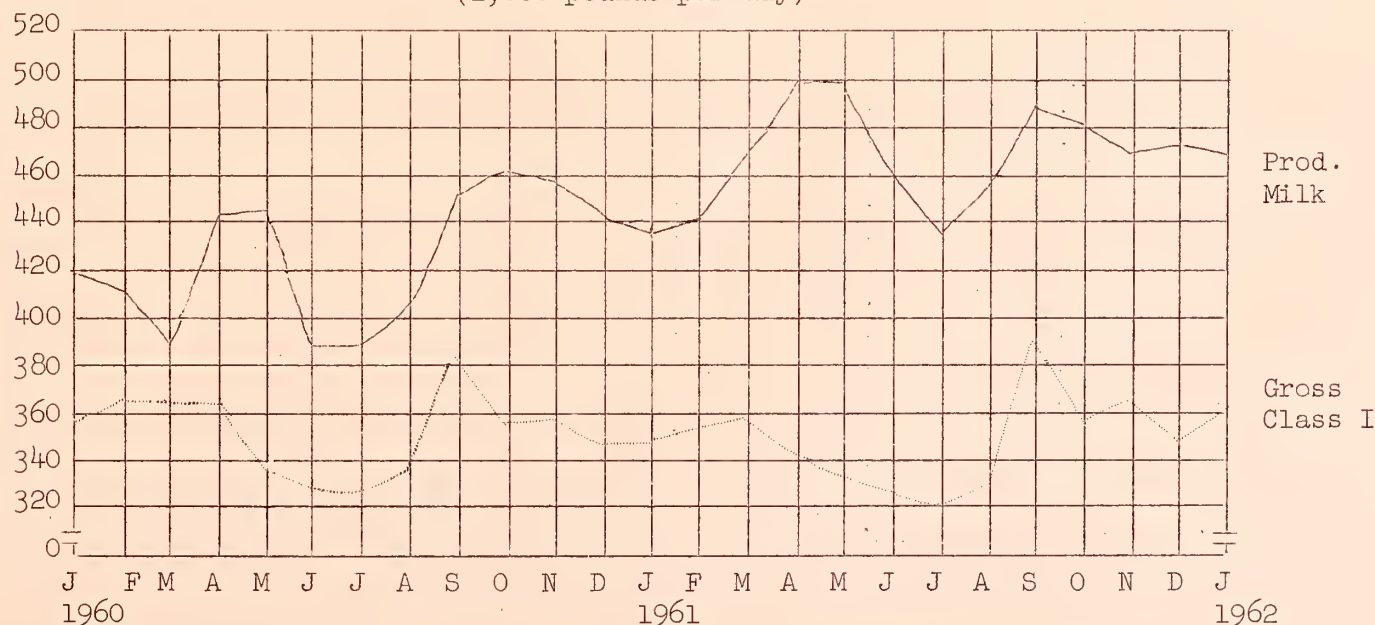
COMPUTATION OF UNIFORM PRODUCER PRICE FOR JANUARY 1962
Based on 16 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		11,297,435	3.514		
Less Other Source		141,478	1.909		
Producer Milk Class I	76.0	11,155,957	3.534094	\$4.791934	\$534,586.10
Gross Class II		3,787,916	6.829		
Less Other Source		262,698	2.479		
Producer Milk Class II	24.0	3,525,218	7.153458	5.857421	206,486.86
<u>TOTAL PROD. (Cl. I + Cl. II)</u>	100.0	14,681,175	4.403169		741,072.96
Add Compensatory Payment Value					68.14
Add Overage Value					—
Add Inventory Reclassification Value					453.56
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,315.16
<u>TOTAL VALUE AT TEST</u>		14,681,175	4.403169		746,909.82
Less Test Over 4% @ 7.6¢ per point		14,681,175	.403169	0.306408	44,984.29
<u>TOTAL VALUE AT 4.0%</u>		14,681,175	4.0	4.781126	701,925.53
Less Producer-Settlement Fund Reserve		14,681,175		.041126	6,037.78
<u>UNIFORM PRICE f.o.b. POOL PLANT - 4.0%</u>		14,681,175	4.0	\$4.74	\$695,887.75

JANUARY 1962 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$3.98	3.6	\$4.436	4.2	\$4.892	4.8	\$5.348	5.4	\$5.804
3.05	4.018	3.65	4.474	4.25	4.93	4.85	5.386	5.45	5.842
3.1	4.056	3.7	4.512	4.3	4.968	4.9	5.424	5.5	5.88
3.15	4.094	3.75	4.55	4.35	5.006	4.95	5.462	5.55	5.918
3.2	4.132	3.8	4.588	4.4	5.044	5.0	5.50	5.6	5.956
3.25	4.17	3.85	4.626	4.45	5.082	5.05	5.538	5.65	5.994
3.3	4.208	3.9	4.664	4.5	5.12	5.1	5.576	5.7	6.032
3.35	4.246	3.95	4.702	4.55	5.158	5.15	5.614	5.75	6.07
3.4	4.284	4.0	4.74	4.6	5.196	5.2	5.652	5.8	6.108
3.45	4.322	4.05	4.778	4.65	5.234	5.25	5.69	5.85	6.146
3.5	4.36	4.1	4.816	4.7	5.272	5.3	5.728	5.9	6.184
3.55	4.398	4.15	4.854	4.75	5.31	5.35	5.766	5.95	6.222

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(1,000 pounds per day)



PRODUCTION BY STATES AND COUNTIES
FOR THE CHATTANOOGA MARKETING AREA

State and Counties	December 1961				December 1960			
	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm
<u>TENNESSEE</u>								
Bledsoe	322,430	2.18	19	547	316,269	2.31	19	537
Bradley	2,588,549	17.51	130	642	2,399,979	17.53	135	573
Coffee	101,921	.69	5	658	93,260	.68	5	602
Cumberland	189,613	1.28	8	765	151,505	1.11	8	611
Franklin	855,434	5.79	39	708	724,003	5.29	37	631
Hamilton	1,304,853	8.83	54	779	1,215,506	8.88	56	700
Loudon	333,167	2.25	13	827	328,669	2.40	13	816
Marion	325,324	2.20	24	437	354,978	2.59	28	409
McMinn	3,446,248	23.32	166	670	3,250,699	23.74	167	628
Meigs	644,167	4.36	37	562	635,322	4.64	39	525
Monroe	820,538	5.55	28	945	664,393	4.85	26	824
Polk	504,225	3.41	21	775	487,631	3.56	22	715
Rhea	430,702	2.91	24	579	356,677	2.61	22	523
Sequatchie	593,906	4.02	27	710	591,737	4.32	27	707
Total	12,461,077	84.30	595	676	11,570,628	84.51	604	618
<u>GEORGIA</u>								
Catoosa	852,808	5.77	32	860	790,524	5.77	30	850
Walker	995,144	6.73	33	973	911,476	6.66	33	891
Others*	85,410	.58	3	918	51,100	.37	2	824
Total	1,933,362	13.08	68	917	1,753,100	12.80	65	870
<u>ALABAMA</u>								
DeKalb	213,417	1.45	13	530	213,322	1.56	14	492
Jackson	173,169	1.17	9	621	154,057	1.13	10	497
Total	386,586	2.62	22	567	367,379	2.69	24	494
TOTAL MARKET	14,781,025	100.00	685	696	13,691,107	100.00	693	637

* 1961 - 1 producer in each Dade, Fannin and Chattooga counties

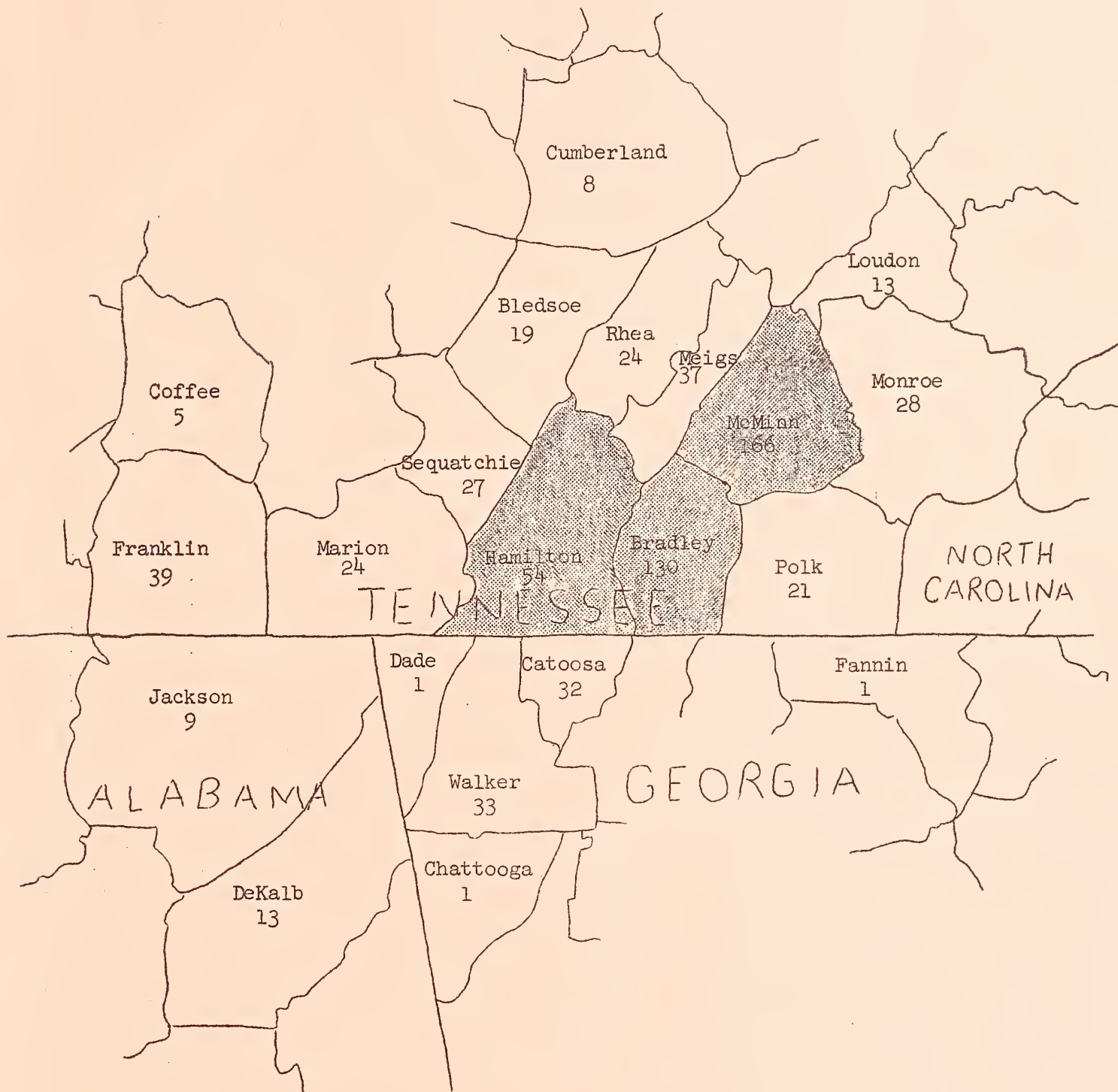
1960 - 1 producer in each Dade and Fannin counties

COMPARISON OF PRODUCER RECEIPTS AND GROSS CLASS I (DAILY AVERAGE)

Month	PRODUCER RECEIPTS			GROSS CLASS I		
	1961	1960	1959	1961	1960	1959
Jan.	438,370	418,023	388,175	348,486	356,801	362,232
Feb.	441,509	441,790	378,577**	356,369	365,338	341,167
Mar.	470,370	388,659**	399,902	358,734	364,784	332,496
Apr.	500,275*	443,554	443,890*	344,138	364,048	341,167
May	499,424	444,101	433,519	335,018	336,344	329,182
June	460,325	390,059	404,243	326,883	327,515	320,140**
July	437,762**	391,646	390,727	320,886**	327,075**	331,541
Aug.	455,739	406,758	411,167	331,130	336,437	342,026
Sep.	490,621	453,829	438,703	392,792*	384,465*	393,150*
Oct.	484,049	461,276*	415,281	359,804	357,470	387,831
Nov.	472,375	456,896	410,745	367,830	357,816	361,259
Dec.	476,639	441,649	409,090	351,891	348,283	353,852
Simple Av.	468,955	425,687	410,335	349,497	352,198	349,670

* High Month of Year

** Low Month of Year



CHATTANOOGA MILK MARKETING AREA - As defined in Federal Order No. 90 includes all the territory within the boundaries of Bradley, Hamilton and McMinn counties. Milkshed includes counties listed and number of producers per county as of December 1961.

CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Jan. '61	\$4.96	-	-	7.6¢	\$5.43	7.9¢	\$3.50	7.0¢
Feb.	4.96	-	-	7.6	5.43	7.9	3.21	7.0
Mar.	4.73 ^{2/}	\$4.89	\$3.17	7.6	5.29	7.9	3.21	7.0
Apr.	4.56 ^{2/}	4.78	3.15	7.6	5.26	7.9	3.19	7.0
May	4.43 ^{2/}	4.65	3.09	7.6	5.14	7.9	3.13	7.0
June	4.51 ^{2/}	4.69	3.07	7.6	5.16	7.9	3.11	7.0
July	4.58 ^{2/}	4.76	3.06	7.6	5.20	7.9	3.10	7.0
Aug.	4.55	-	-	7.6	5.20	7.9	3.10	7.0
Sept.	4.67	-	-	7.6	5.00	7.9	3.65	7.0
Oct.	4.61	-	-	7.6	5.04	7.9	3.65	7.0
Nov.	4.74	-	-	7.6	5.14	7.9	3.65	7.0
Dec.	4.66	-	-	7.6	5.10	7.9	3.65	7.0
Jan. '62	4.74	-	-	7.6	5.16	7.9	3.65	7.0
Feb.	-	-	-	-	5.16	7.9	-	-

PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi. 92° Butter	Chi. Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.		Cheese	Powder		
Jan. '61	3.415	60.466	13.190	36.750	3.80	3.35	3.50	3.25	3.80
Feb.	3.240	60.460	13.180	33.938	3.62	3.30	3.50	3.21	3.62
Mar.	3.228	60.466	13.120	34.700	3.61	3.31	3.50	3.21	3.61
Apr.	3.230	60.466	14.325	34.625	3.61	3.31	3.58	3.19	3.61
May	3.188	60.466	14.615	34.344	3.57	3.31	3.61	3.13	3.61
June	3.122	60.466	14.820	34.250	3.50	3.31	3.61	3.11	3.61
July	3.154	60.466	14.865	34.375	3.53	3.31	3.61	3.10	3.61
Aug.	3.173	60.466	15.120	34.750	3.55	3.31	3.65	3.10	3.65
Sept.	3.182	60.466	15.105	35.025	3.56	3.32	3.65	3.10	3.65
Oct.	3.189	60.466	15.125	35.250	3.57	3.32	3.65	3.14	3.65
Nov.	3.206	60.466	15.070	35.250	3.59	3.32	3.65	3.15	3.65
Dec.	3.194	60.466	15.275	35.250	3.57	3.32	3.65	3.15	3.65
Jan. '62	3.178	60.466	15.260	35.250	3.56	3.32	3.65	3.15	3.65

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Month	GROSS MILK 3/			PRODUCER MILK 3/				Deliveries Per			Prod.
	No.	Total	Class I	Class I	Total	Base	No.	Farm----			Milk
	Hdlrs.	Receipt	Use	Use	Receipt	Receipt	Prod.	Prod.	Base	Exc.	Test%
Jan. '61	19	453,461	348,486	342,735	438,370	-	682	643	-	-	4.46
Feb.	19	459,303	356,369	350,556	441,509	-	680	649	-	-	4.32
Mar.	19	491,471	358,734	354,390	470,370	425,350	679	693	626	67	4.22
Apr.	19	524,548	344,138	339,543	500,275	433,660	679	737	639	98	4.17
May	19	543,235	335,018	330,864	499,424	430,079	679	736	633	103	4.17
June	17	527,227	326,883	322,856	460,325	409,710	676	681	606	75	4.16
July	16	467,128	320,886	316,645	437,762	391,235	674	649	580	69	4.11
Aug.	16	482,211	331,130	326,695	455,739	-	683	667	-	-	4.10
Sept.	16	510,882	392,792	387,850	490,621	-	684	717	-	-	4.10
Oct.	16	496,512	359,804	355,333	484,049	-	685	707	-	-	4.33
Nov.	16	485,350	367,830	363,038	472,375	-	686	689	-	-	4.39
Dec.	16	494,324	351,891	347,812	476,639	-	685	696	-	-	4.41
Jan. '62	16	486,624	364,433	359,869	473,586	-	685	691	-	-	4.40

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I;
Excess is Producer minus Base